

Service Date: November 9, 1993

DEPARTMENT OF PUBLIC SERVICE REGULATION  
BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

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IN THE MATTER of the Pass	)	UTILITY DIVISION
Through of Fees Levied on	)	
Regulated Companies for	)	DOCKET NO. 93.10.52
Funding the Department of	)	
Public Service Regulation.	)	ORDER NO. 5757

FINAL ORDER

1. Section 69-1-402, MCA, provides for funding of the Department of Public Service Regulation by a fee on all regulated companies (as defined in § 69-1-401(2), MCA). The Department of Revenue notified the Public Service Commission of the tax rate which will be effective for the period beginning October 1, 1993 and ending September 30, 1994. Section 69-1-403(4), MCA, requires that the Public Service Commission (Commission) "by separate order authorize each regulated company to fully recover in its rates and charges, on an annual basis, the fees levied ...." This Order is being issued pursuant to that requirement.

2. Order No. 5674, issued December 8, 1992, authorized regulated companies to increase rates and charges for an annual period from August 29, 1992 through August 28, 1993. The

authorized rate during that period was .24 percent (.0024). Because of revisions to the method of collecting the PSC fee, made by the 1993 legislature, the effective period of the tax runs from October 1 through September 30. Therefore, there technically was a gap in Commission authorization to recover the tax from August 28, 1993 through September 30, 1993. Because the Commission is required by statute to authorize the recovery of the PSC tax in rates, it hereby extends the authorization in Order No. 5674 from August 28, 1993 through September 30, 1993.

3. The applicable rate for the tax period beginning October 1, 1993 is .28 percent (.0028). In order to permit full recovery of the PSC fees, it is the Commission's intention to permit all affected regulated companies to reflect this tax rate in their revenue requirement as of October 1, 1993.

4. As necessary, all regulated companies that pay the PSC fee may file tariffs reflecting the .28 percent tax rate. This means that overall, and considering the expiration of Order No. 5674 on September 30, 1993, companies collecting the .24 percent rate authorized in Order No. 5674 will be required to increase their rates by .04 percent (.0004).

5. The rate applicable to municipally owned regulated

companies is .06 percent. § 69-1-403, MCA. This is also the rate authorized in Order No. 5674 for the preceding tax period. Municipal utilities currently collecting the tax, therefore, should require no tariff changes.

6. The Commission notes that, as of September 30, 1993 the authorization granted to regulated companies by Order No. 5674, to recover the former tax rate of .24 percent (.0024), expired. Those regulated companies whose current rates are premised in part upon this tax rate may file new tariffs reflecting the expiration of this authorization, along with the authorization granted by this order to reflect the new .0028 tax rate. However, for regulated companies the filing of tariffs reflecting the rate authorized by this Order is permissive, not mandatory. Regulated companies may choose not to recover the increase in cases where the amount to be recovered would not justify submitting new tariffs. A regulated company may choose to defer implementing tariffs reflecting the increase until a later date (e.g., to coincide with other tariff changes). It should be noted however, that the revenue requirement may not be accumulated unless otherwise authorized by the Commission. In this case, the Commission will authorize retroactive recovery of

the fee to October 1, 1993, if regulated companies inform the Commission within 10 days of the service date of this Order of their intent to make retroactive recovery. Tariffs making retroactive recovery must be filed within 45 days of the service date of this Order. Tariffs must be filed within 15 days of their proposed effective date. This approved revenue requirement will be effective until September 30, 1994.

7. It is the Commission's intention that all regulated services of a regulated company absorb the rate increase proportionately to that service's contribution to the total gross operating revenue generated by the regulated activities within this state. As limited exceptions to this general approach, however, the Commission believes that floors in "flexible band" tariffs need not be exceeded and that special market-based rates need not be increased.

#### CONCLUSIONS OF LAW

1. Pursuant to 69-3-102 and 69-14-111, MCA, the Montana Public Service Commission has jurisdiction over regulated companies as defined by § 69-1-401, MCA.

2. The Public Service Commission is required by Section

69-1-403(4), MCA, to allow immediate recovery of the regulated utility fee by each affected company in its rates and charges on an annual basis.

3. The increased revenue requirement approved herein is a reasonable means of complying with §§ 69-1-402 et seq., MCA.

ORDER

As necessary, regulated companies as defined in § 69-1-401, MCA, are authorized to file tariffs reflecting increased rates and charges effective October 1, 1993, consistent with the Findings of Fact contained in this Order. This authorization is permissive, not mandatory and effective dates may, at the companies' discretion, be after October 1, 1993.

Tariffs must be filed within fifteen (15) days of their proposed effective date.

Done and Dated this 2nd day of November, 1993 by a vote of 4-0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

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BOB ANDERSON, Chairman

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BOB ROWE, Vice Chairman

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DAVE FISHER, Commissioner

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NANCY MCCAFFREE, Commissioner

ATTEST:

Kathlene M. Anderson  
Commission Secretary

(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.